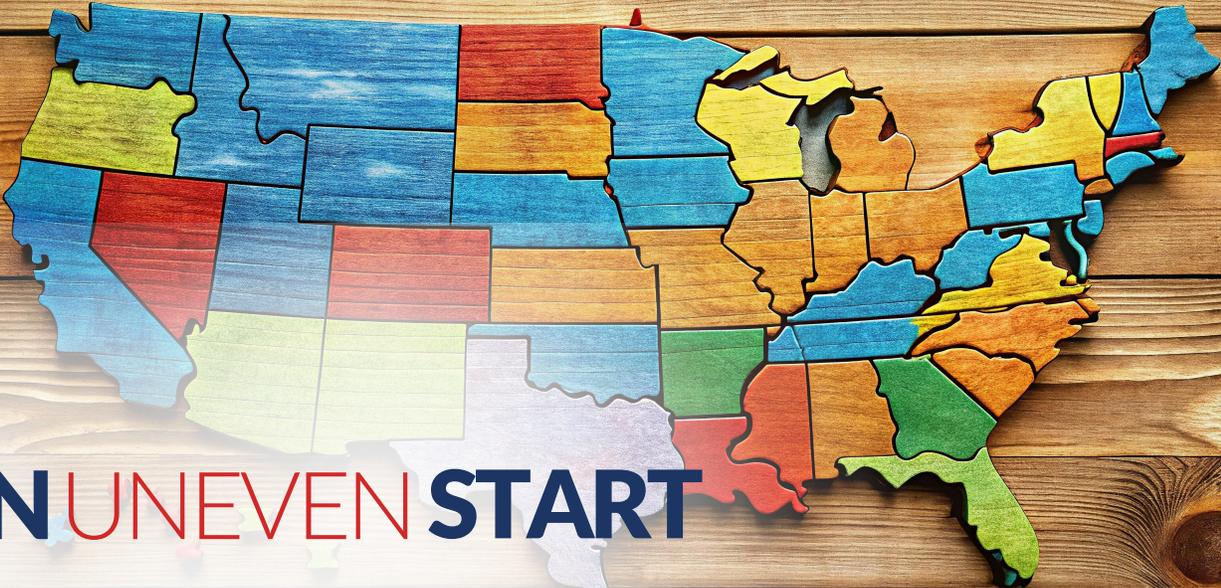


AN UNEVEN START

What We Learned

MARCH 2026

- **Children, families, and communities across America remain on an uneven playing field when it comes to state child care and preschool funding.** Looking at total FY 2026 state investments in child care and preschool (including federally required matching and maintenance of effort funds) states are investing less than \$500 per child under age 5 to more than \$5,000 per child. Washington, D.C. is an outlier, investing over \$9,800 per child.
- **Some states are doing the bare minimum and some are even moving backwards.** Seven states (Arkansas, Idaho, Missouri, Nevada, Rhode Island, West Virginia, and Wyoming) fail to invest in child care beyond what is required to draw down federal dollars. In addition, six states (Florida, Kansas, Kentucky, North Carolina, New Hampshire and Rhode Island) decreased their state investment from FY25 to FY26.
- **Year-over-year, some states are increasing funding for child care and preschool.** Total per child investments in child care and preschool increased from FY 2025 to FY 2026 in most of the states (20 of 26) that had data for both years. The average funding increased to about \$1,700 per child aged birth to 5 in FY 2026, from about \$1,400 in FY 2025, across the 26 states.
- **States are still coming up short for young children.** While total state investments in child care or preschool vary widely from state to state, the highest per child state child care and/ or preschool investment in FY 2026 (California, \$5,994) is lower than all but seven states' per child state K-12 investment in FY 2023. Birth to age 5 is a period of rapid, intense brain development, creating an unparalleled opportunity for learning and growth. Underspensing during this critical window means missing a vital chance to support and strengthen children's long-term development and success.
- **Tracking and reporting state child care and preschool funding remain challenging, due to fragmented governance and funding streams. This reduces transparency and accountability.** Funding for child care and preschool is often spread across multiple state agencies or departments. Further, states often blend and layer funding from state and federal sources to piece together their child care systems. This complexity makes it difficult to describe funding and programs simply and advocate for increased investment.



AN UNEVEN START

What We Recommend

MARCH 2026



Increase Investments: States should significantly boost child care and preschool funding and strengthen their child care systems by reducing family costs, supporting the workforce, and expanding the supply of quality programs.



Improve Transparency: Policymakers should streamline and align funding data across agencies so stakeholders can clearly understand current investments and identify opportunities for improvement.



Strengthen Coordination: States should restructure or better coordinate the agencies overseeing child care and preschool to create more efficient, unified systems that better serve children and families.

